Introductory Message

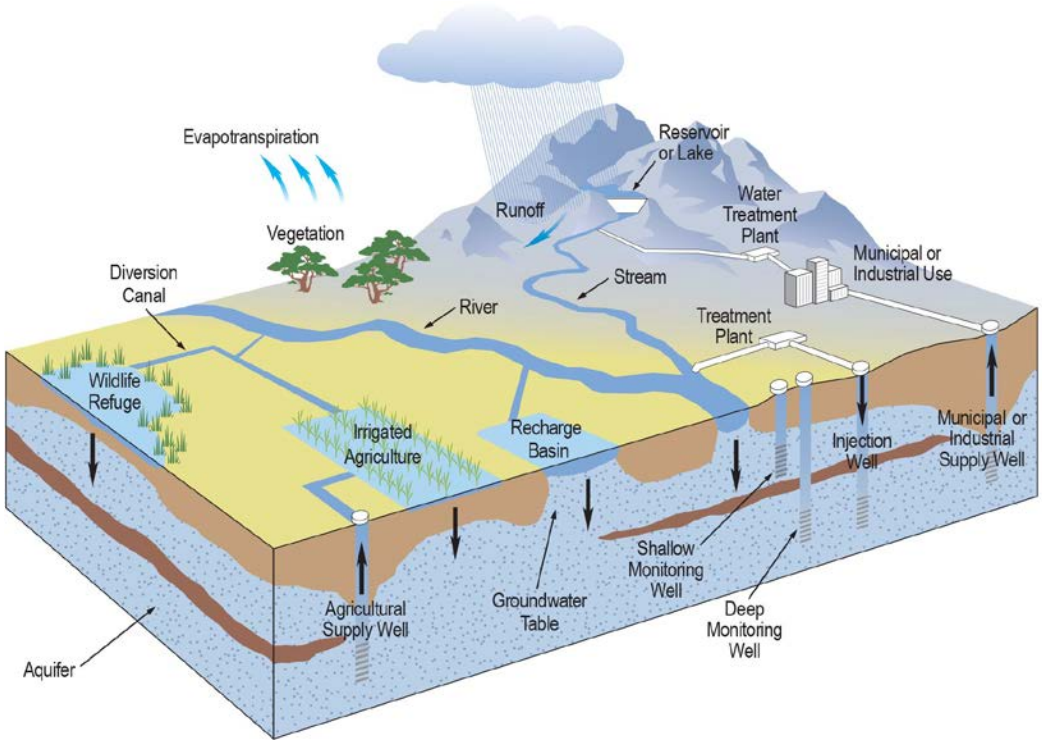
(Potential Messages)

1. California is at a critical juncture, which was decades in the making.
2. Local and regional governments have provided 90% of all IWM investment over the last decade.
3. State and federal government investment has often been unstable and/or insufficient to achieve State role in IWM (e.g., implement and manage statewide infrastructure, ensure safe water for all Californians, protect public trust assets).
4. Governments are often misaligned in terms of desired outcomes (e.g. vision, goals, as well as the means (e.g., planning, regulations, funding) for achieving these disparate outcomes.
5. This, in part, has created an expectation that, for the first time in history, a generation of Californians will be less environmentally, socially and economically prosperous than the one that came before them.
6. Action is required now, but cannot occur without broad stakeholder and voter support.
7. Many people still lock themselves into positions based on past issues, as well as differing assumptions and datasets.
8. Update 2013 seeks to create a common awareness of flood risk, drought impacts, declining ecosystems, and how all Californians have a stake and must come together (from a planning and policy-making standpoint) to implement solutions that move us toward Update 2013's Strategic Vision.
9. Update 2013 reflects actions developed though very collaborative processes to create stakeholder-supported solutions.
10. Innovative finance solutions are required.
11. A Water 360 summit occurred in April 2013 that brought together water leaders and organizations to refocus and strengthen the advancement of IWM.
12. Governor's Water Action Plan begins prioritizing new polices, actions, investments, and finance strategies. It is an opportunity to implement actions from Update 2013.
13. Implementation requires many dimensions to align: voter support, cooperation and alignment across government, funding.
14. Update 2013 provides the backdrop, rationale, framework, and actions required to support more expedient and cost-effective implementation in pursuit of the California Water Plan's long-term strategic vision. But, to achieve results, it must be acted upon by policy-makers.

Integrated Water Management

Interconnected Systems Require Integrated Solutions

Integrated Water Management (IWM) is a strategic approach to planning and implementing water management programs that combines flood management, ecosystem enhancement, and water supply actions to deliver multiple benefits across watershed and jurisdictional boundaries.



How will we know when we are successful?

When more sustainable outcomes are occurring as defined by improved public safety, enhanced environmental stewardship, and economic stability.

PUBLIC SAFETY ENVIRONMENTAL STEWARDSHIP ECONOMIC STABILITY

The California Water Plan:

For almost 60 years, the California Water Plan has served as the long-term strategic plan for informing and guiding the sound management and development of water resources in our state. With updates every five years, it remains the single most complete and relevant body of knowledge about statewide water resources.

The Plan has evolved with the times. The 2013 Plan Update recognizes and reflects these basic facts about today's water situation:

Water is California's Life Blood. Every living thing in the state, as well as our economy, depends on reliable, clean water to thrive. There are greater demands for water in our state than ever before.

California's Complex Water Resources System is in Crisis. Our interconnected system of water resources – natural and human made – is severely threatened on many fronts, with significant risks to our health and safety and economic well-being. We must prepare and adapt.

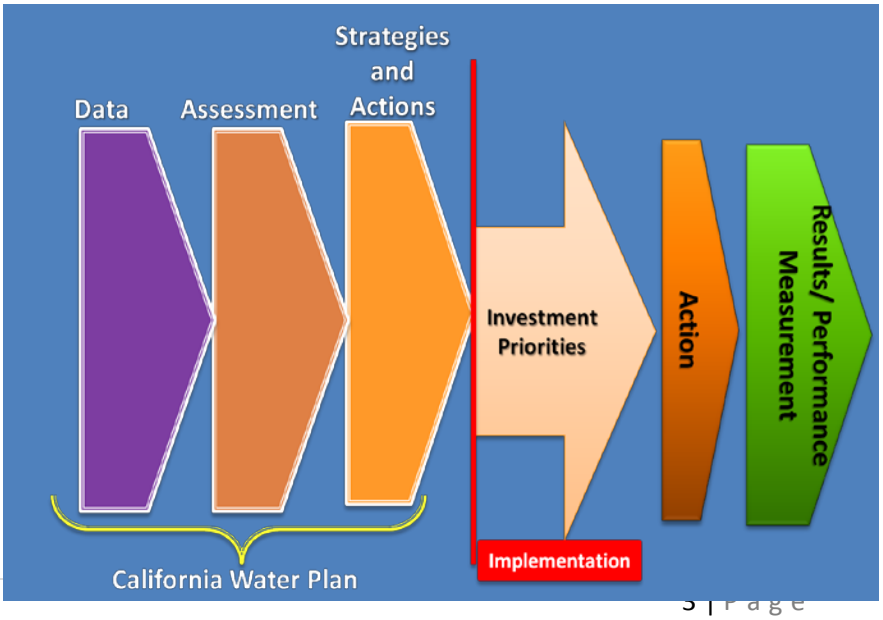
A Diverse Portfolio Approach is Required to Address the Challenges. The complexity of our water resources systems and the associated risks demand a diverse set of actions and investment strategies. There is no silver bullet.

The Solution Requires Integration, Alignment and Investment. Commitment to the IWM approach, alignment towards a common vision, and stable financing are essential to ensure future resiliency.

We All Have a Role to Play in Securing Our Future. Decision-makers, resource agencies, water resource managers, and interest groups at the State, federal, Tribal and local levels need to actively engage in the solution.

The California Water Plan's Role: Inform Action

Consistent with State law, the 2013 update of the California Water Plan lays out recommendations, rather than mandates. Based on decades of scientific data and analyses, nearly 40 State agency plans, and the voices of thousands of stakeholders, it is a tool to guide investment priorities and legislative action to ensure resilient and sustainable water resources moving forward.



Charting a More Resilient Future for California's Water Resources

Moving from Plan to Action: The Administration's Water Priorities

A multi-agency working group formed at the direction of Governor Jerry Brown released a draft ***California Water Action Plan*** in October 2013 that describes a set of 10 broad "essential actions" intended to help "lay the foundation for sustainable water management in the coming decades" in California:

1. Make conservation a California way of life.
2. Increase regional self-reliance.
3. Achieve the coequal goals for the Delta.
4. Protect and restore important ecosystems.
5. Manage and prepare for dry periods.
6. Expand water storage capacity.
7. Provide safe drinking water and secure wastewater systems to all communities.
8. Increase flood protection.
9. Improve operational and regulatory efficiency.
10. Identify sustainable and integrated financing opportunities.

This list of actions represents the governor's priorities for the next five years. It was drawn from the more comprehensive suite of recommended actions in Update 2013.

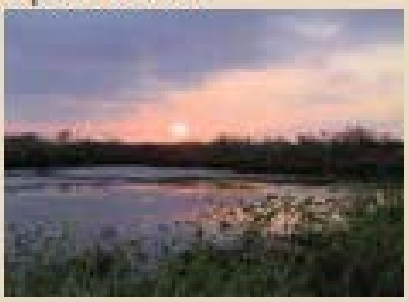
Foundation for Success: The Integrated Water Management Approach

To be successful, we must adapt to changing times and learn to do more with less. The past decade has shown us that integrating our processes and actions provides multiple benefits more cost-effectively. IWM delivers sustainable solutions that achieve balance with respect to three foundational goals:

Water: The Essence of Life

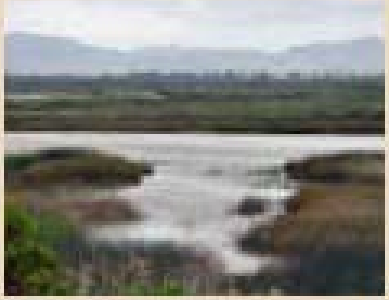
Contribute to job creation and security

Restore terrestrial and aquatic habitats



Improve watershed management

Enhance Bay-Delta ecosystem



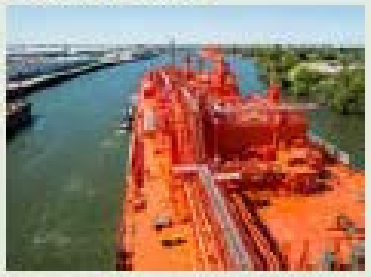
Water and well-being:

- **Production of food and fiber**
- **Healthy and sustainable ecosystems**
- **Economic activity**
- **Strong employment conditions**
- **Quality of life and standard of living**
- **Transportation**
- **Recreation**

Raise awareness and increase stewardship

Improve water quality for fisheries and recreation

Enhance statewide economic output



Promote food production security

Provide stable funding for infrastructure

Provide safe drinking water

For California

Consequences of Existing Challenges

Increased statewide fire risk

Large cutbacks in, or complete curtailment of, State Water Project and Central Valley Project deliveries.

Reduction in hydropower generation.

Water managers are responsible for ensuring reliable and clean water for a growing population, reducing flood risks to ensure public safety, and enhancing and restoring the state's ecosystems, all while safeguarding California's economy under a new paradigm of doing more with less

<u>Current trends show reduced prosperity for future generations</u>:

- **Increased flood risk.**
- **Reduced supply reliability.**
- **Aging and failing infrastructure.**
- **Declining and failing ecosystems.**

Damaged ecosystem assets and services.

Reduced economic stability.

Expected mandatory water conservation

California Water Today:

How We Got Here

The Past - California invested in water and flood management infrastructure to promote growth and economic development in rural, suburban, and urban communities. This involved a period of resource extraction that led to a booming economy with benefits still enjoyed today, while at the same time, creating a number of unintended consequences and resource conflicts.

21st Century – California is managing conflicts over resources and planning for more sustainable resource management. State government supports interregional projects, provides environmental protection and enhancement, promotes multi-benefit IWM programs and projects with more sustainable outcomes, and ensures that disadvantaged communities have safe water and sanitation.

Theme of Era				
Development and Growth	Federal Investment	Infrastructure Expansion	Water Resources Development / Protection	Current State Bond Funding

The Lifeblood of Our State

Investing In IWM

Figure 7-3 Recent Trends in Local, State, and Federal IWM Expenditures (in millions) 1995-2010

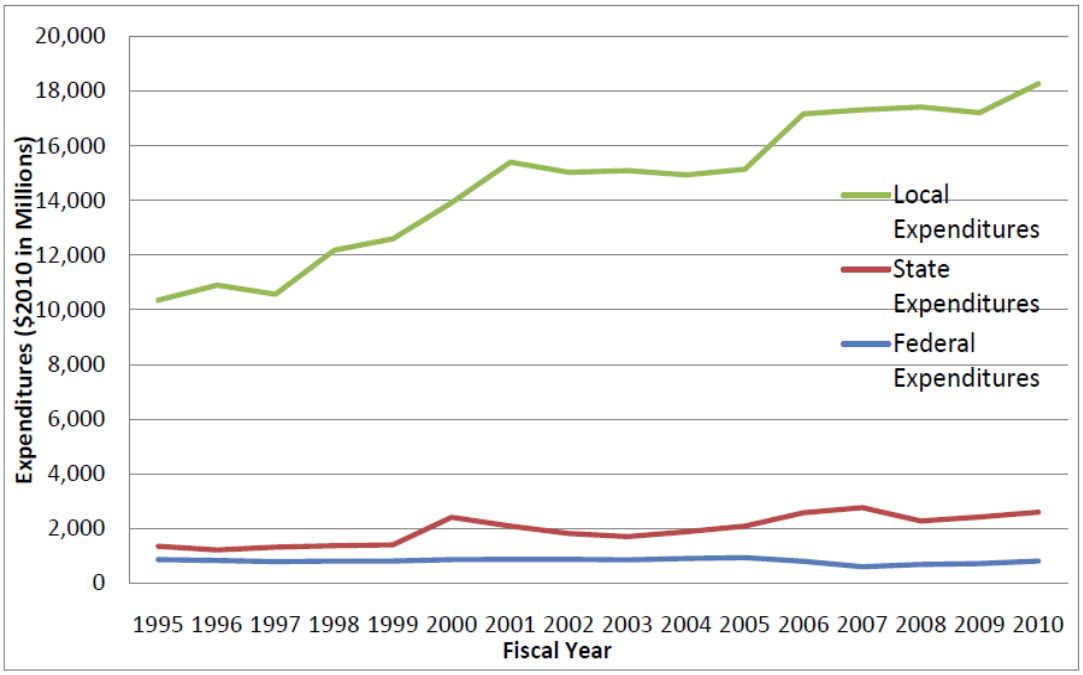
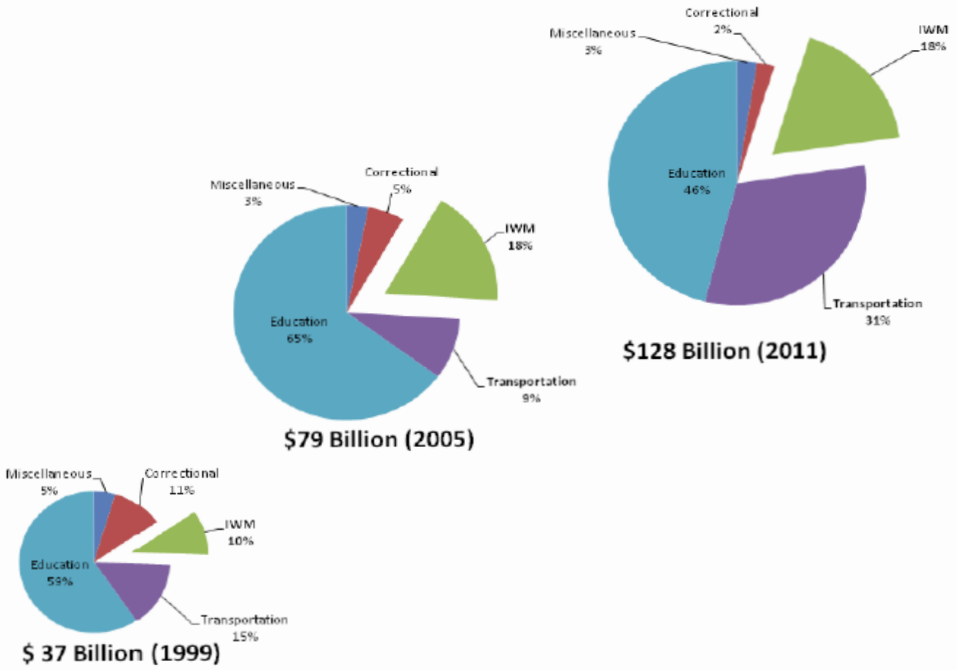


Figure 7-4 Total Authorized State General Obligation Bonds in California



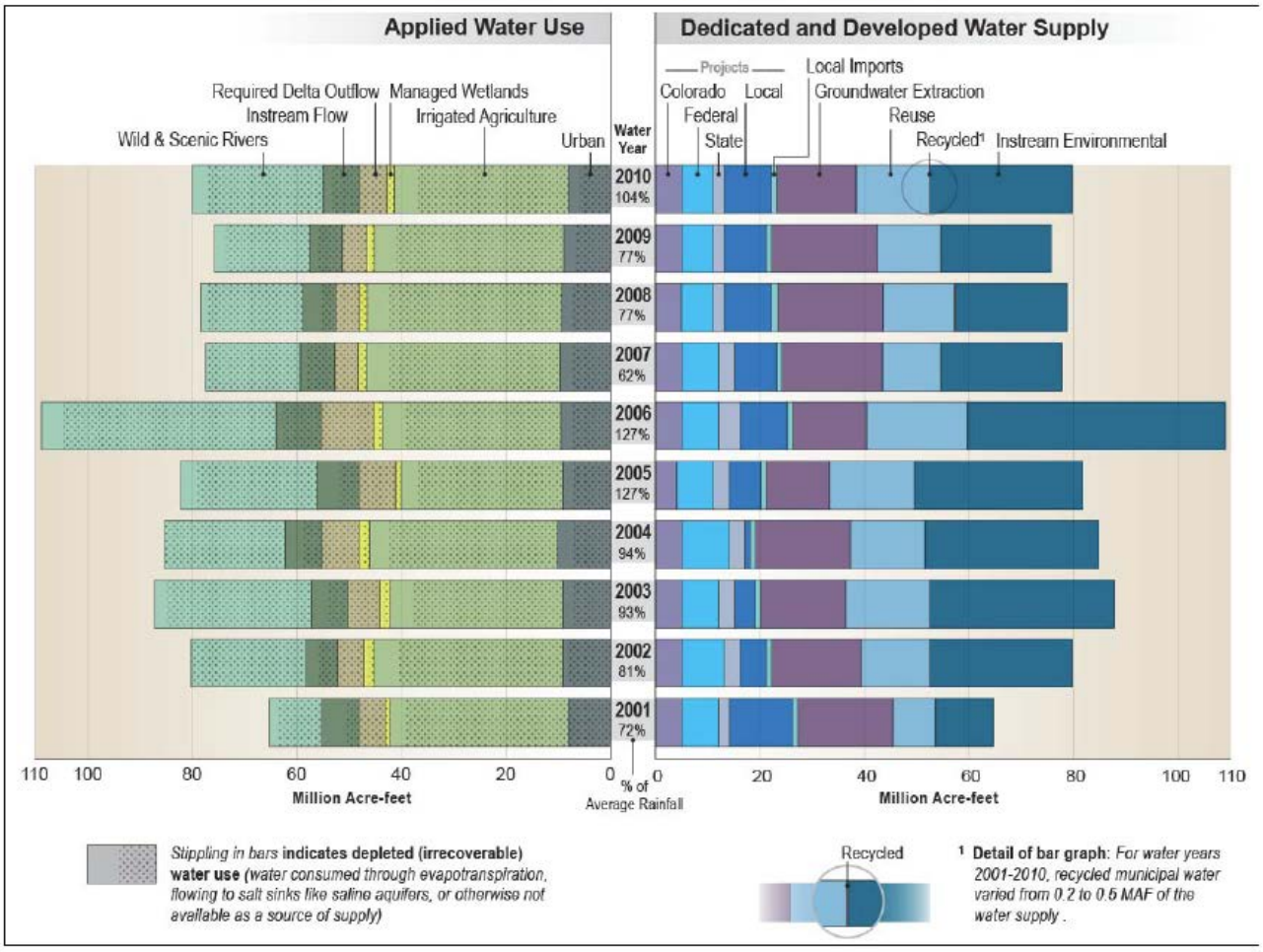
State and federal funding has been anemic for 20 years, while per capita State debt has increased nearly 300% over the last 10 years. This has severely limited the State's ability to implement and manage statewide infrastructure, ensure safe water for all Californians, and protect public trust assets.

California Water Today:

How California Uses and Supplies Water

Water use and supply sources are interrelated, complex, and unpredictable (vary year-by-year). Update 2013 quantified water uses and accompanying supply sources through the year 2010. The statewide numbers are shown below. They include agriculture and urban uses as well as water allocated for environmental uses, such as Wild and Scenic rivers and managed wetlands.

Figure 3-11 California Water Balance by Water Year, 2001-2010

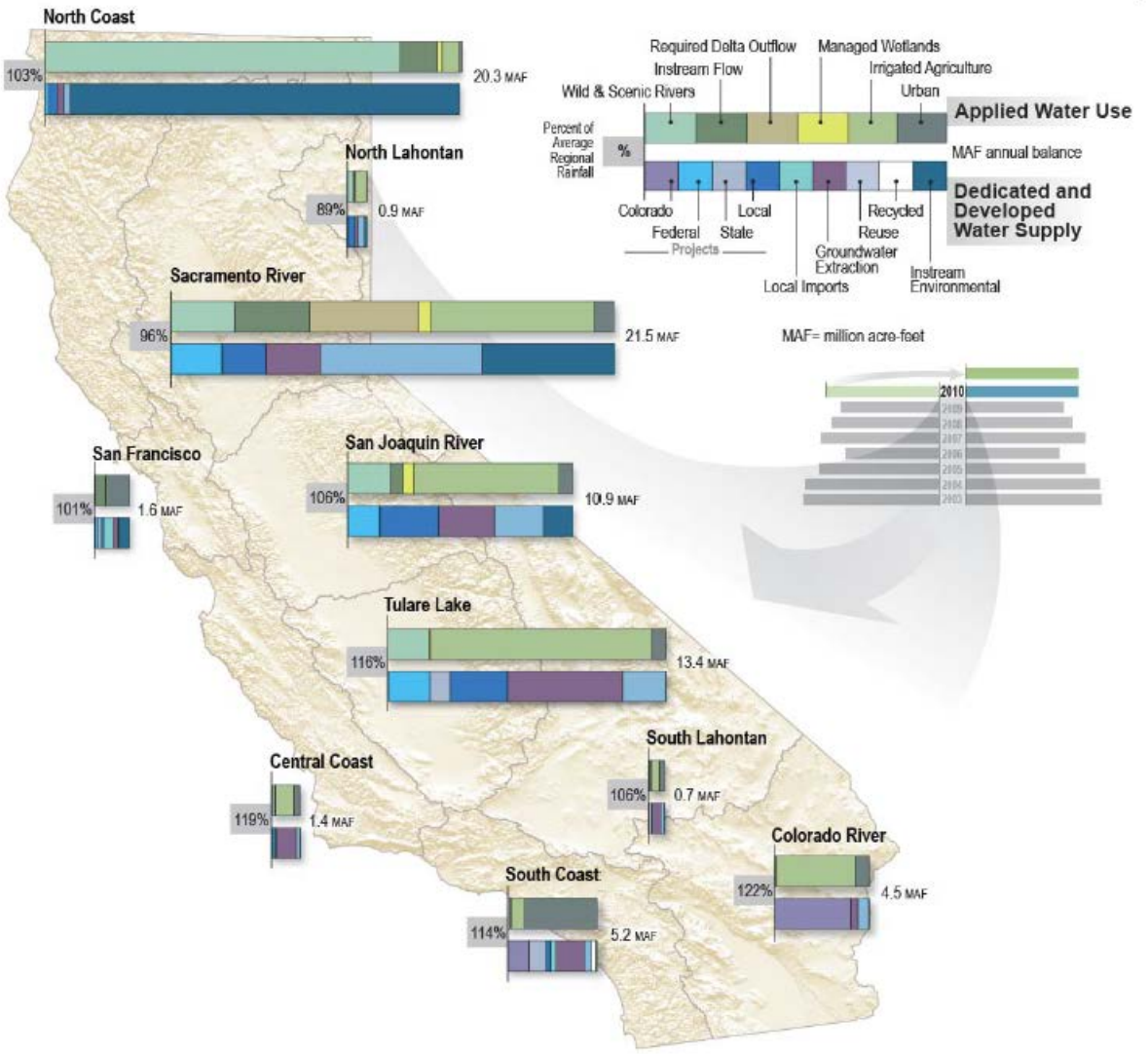


How We Use and Supply Water

Regional Diversity Requires Regional Solutions

Water use and supplies vary dramatically by region in terms of types and qualities of uses. This underscores the importance of regionally appropriate planning, policies, strategies, and investment.

Figure 3-12 Water Balance by Region for Water Year 2010

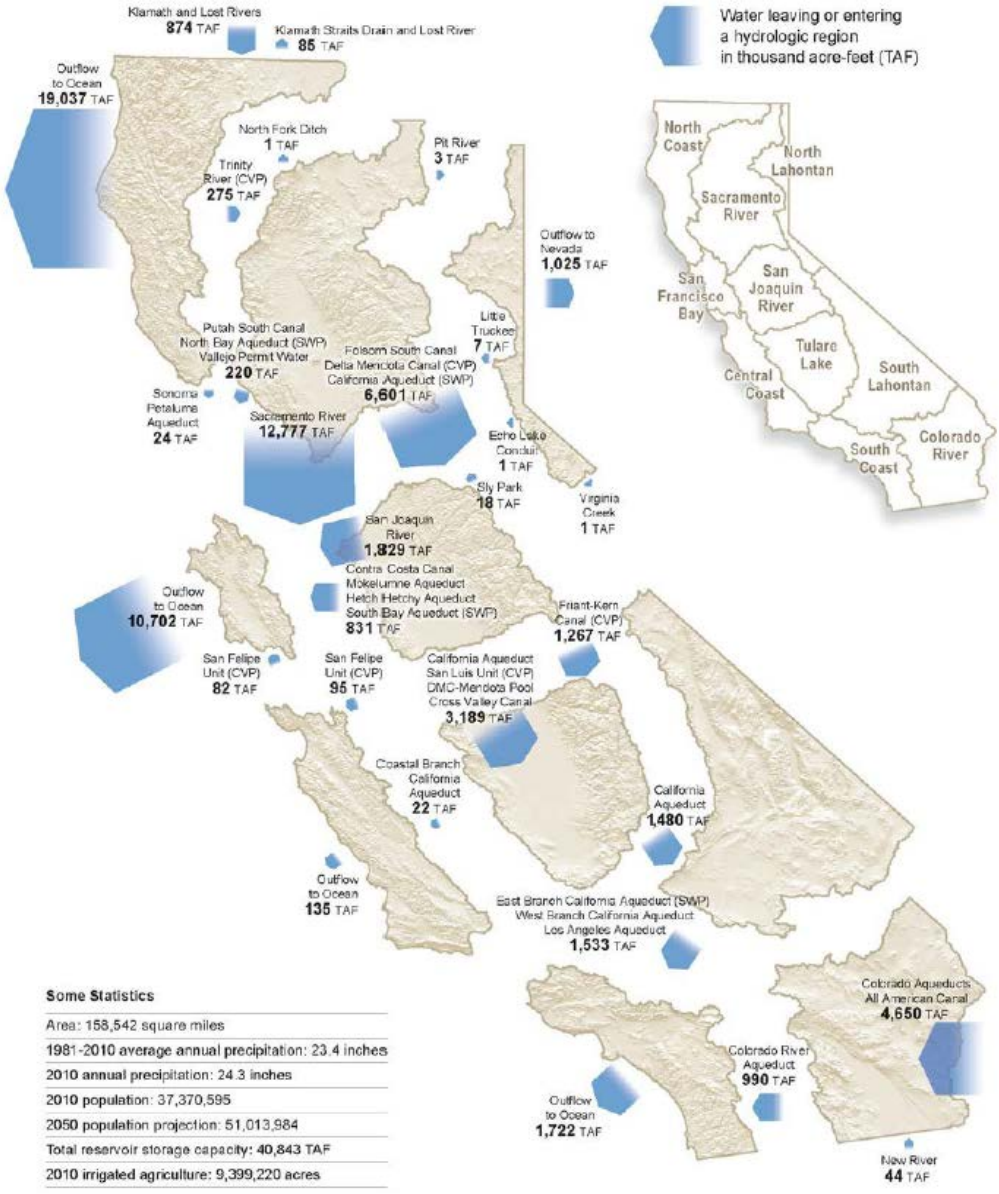


A Call For Action:

Unreliable Water Supplies

The well-being of all Californians has depended on the reliable storage and movement of large quantities of water throughout the state. It is now becoming increasingly difficult to move water great distances due to declining ecosystems, rising energy costs, and aging infrastructure. Nowhere is this more apparent than the Sacramento San Joaquin Delta.

Figure 3-14 Regional Inflow and Outflows, Water Year 2010

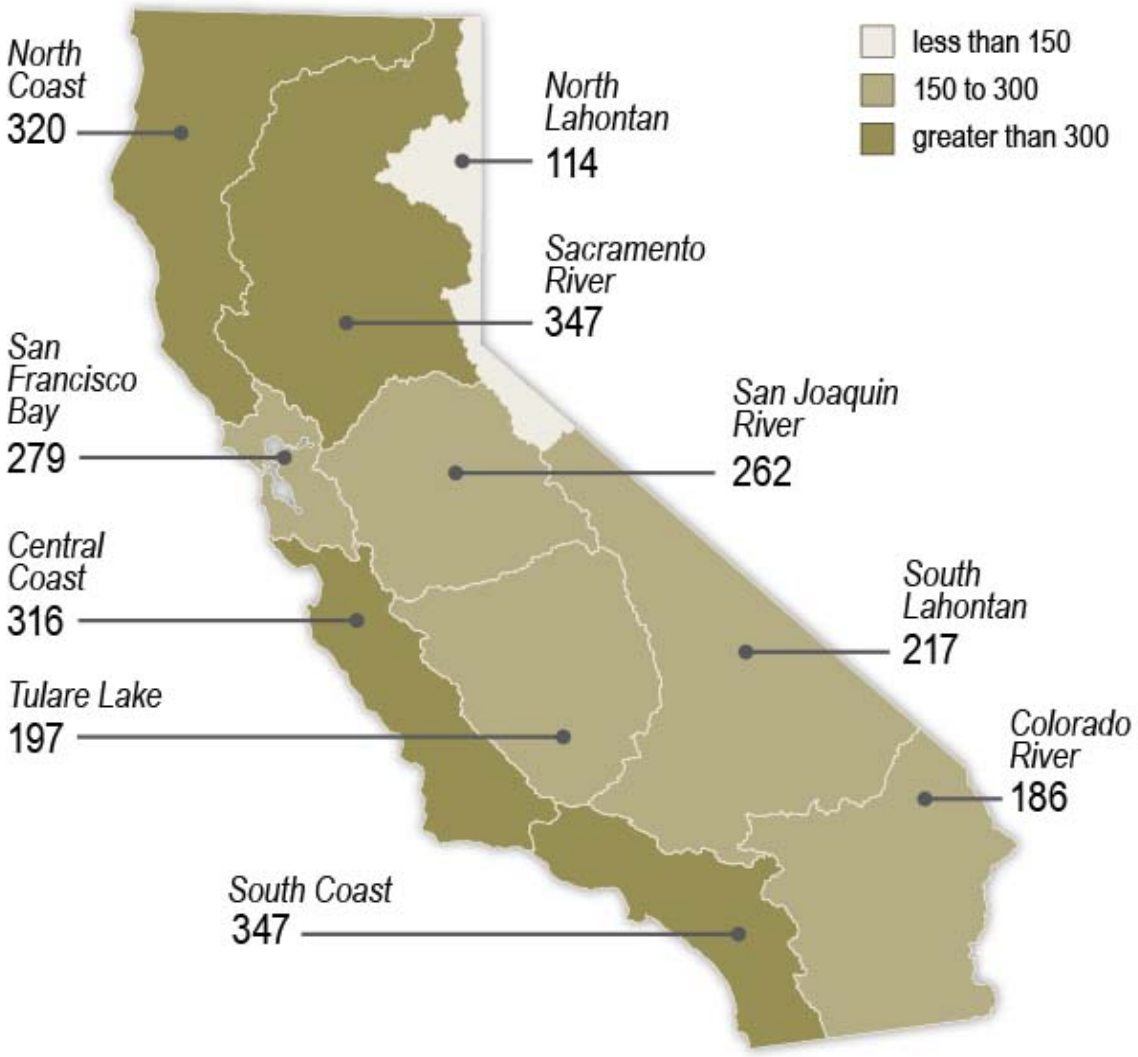


A System in Crisis

Degrading Environmental Conditions

California has experienced decades of unacceptable habitat and species declines. The sustainability of habitats and the species they support are highly vulnerable to climate change, water quality degradation, land use decisions, and many other drivers related to IWM.

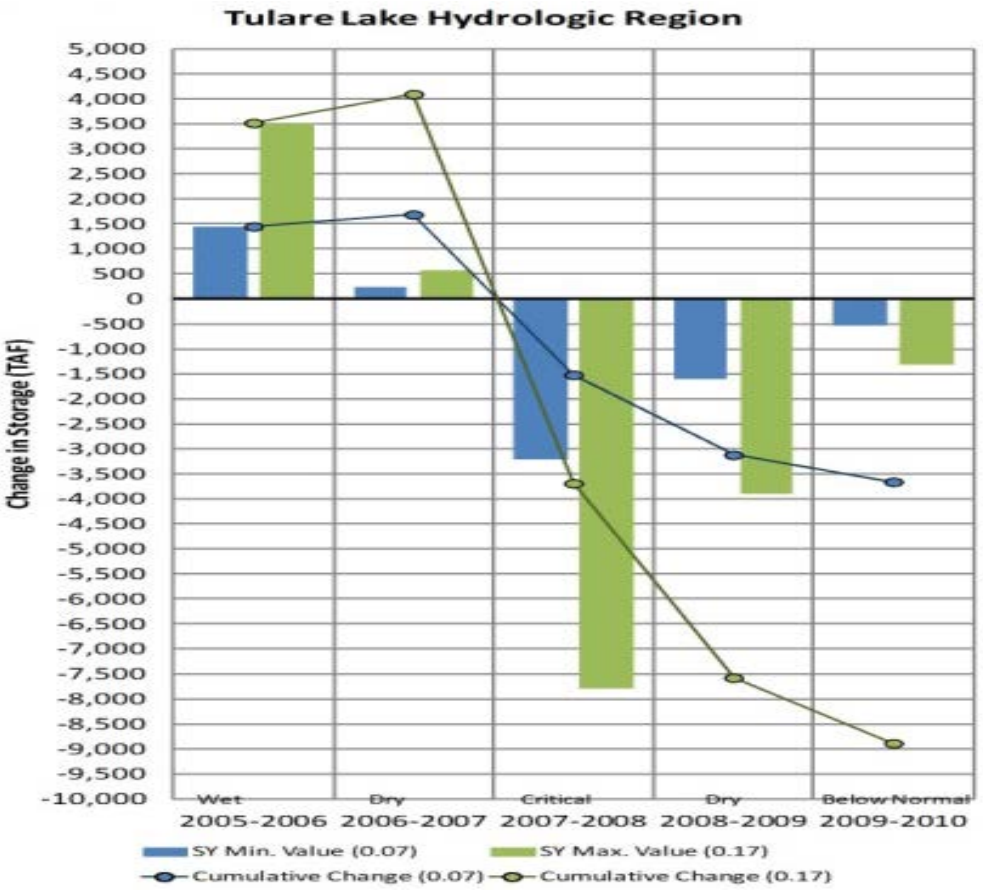
State and Federal Listed Species by Region



A Call For Action:

Millions Will be Affected by Dwindling Groundwater Supplies

- Thirty million Californians rely on groundwater for a portion of their drinking water supply.
- Many water users in the Central and San Joaquin valley and Tulare Lake areas are turning to groundwater as surface supplies are becoming less reliable, particularly surface supplies delivered through the Delta.
- Up to 13 million acre-feet of groundwater storage has been depleted in these areas between 2005 and 2010, enough water to fill 13 Folsom Lakes.
- Several groundwater basins throughout California are contaminated with human-made or naturally occurring pollutants.
- Land elevations are dropping as fast as 1 foot per year in some localities.



Note to reviewers: This graphic is a placeholder and will be replaced with a simpler version that may include additional regions.

Ignore at Our Own Peril

California Water –Variable and Extreme

Consequences will increase from raising sea levels and reductions in snowpack.

$600 billion in assets and 7 million people in floodplain

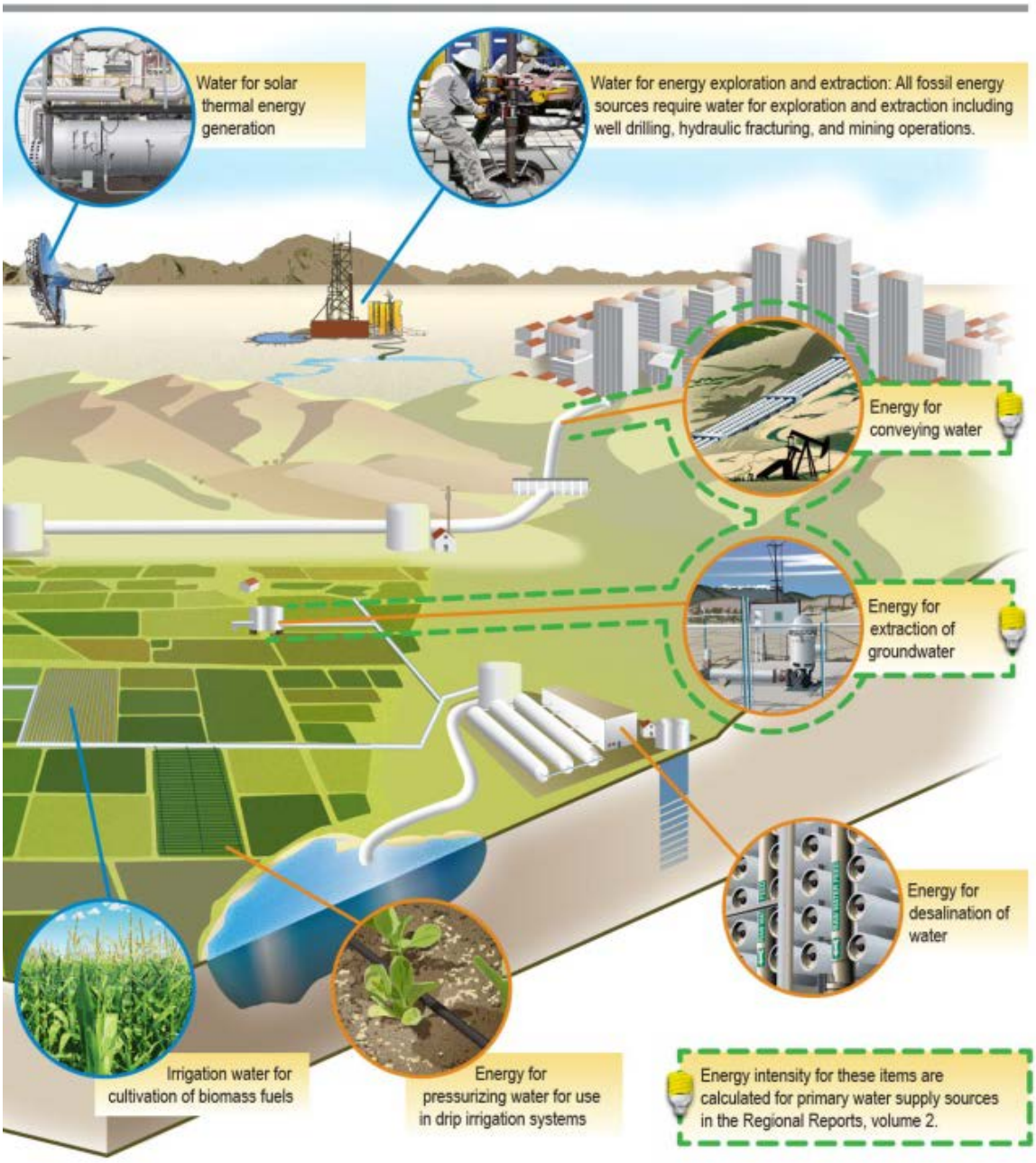
Frequent Droughts

The Future is Uncertain:

Water and Energy

The water-energy nexus provides opportunities for conservation of natural resources and the reduction of greenhouse gases.

Recognizing Critical Connections



The Future is Uncertain:

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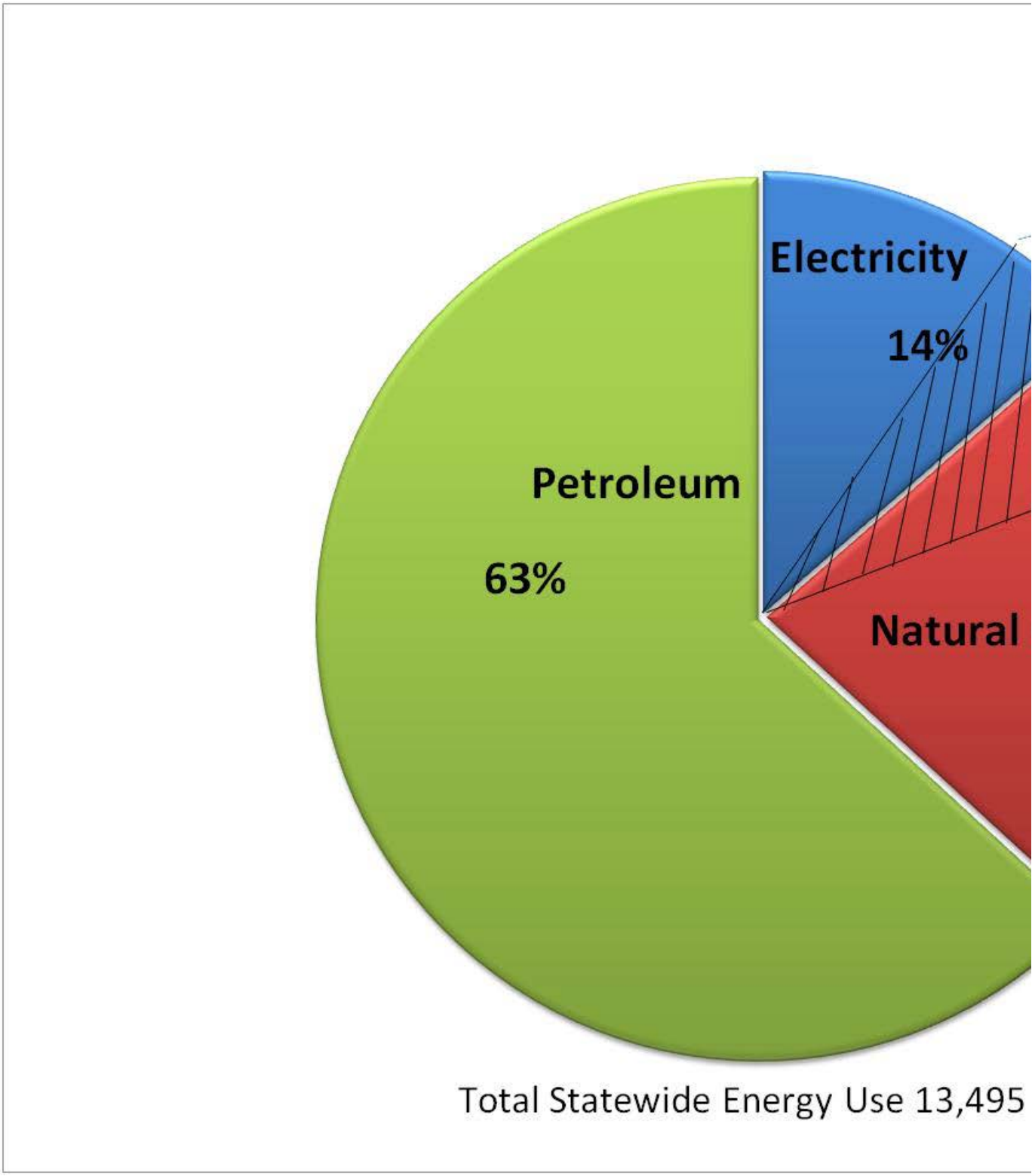
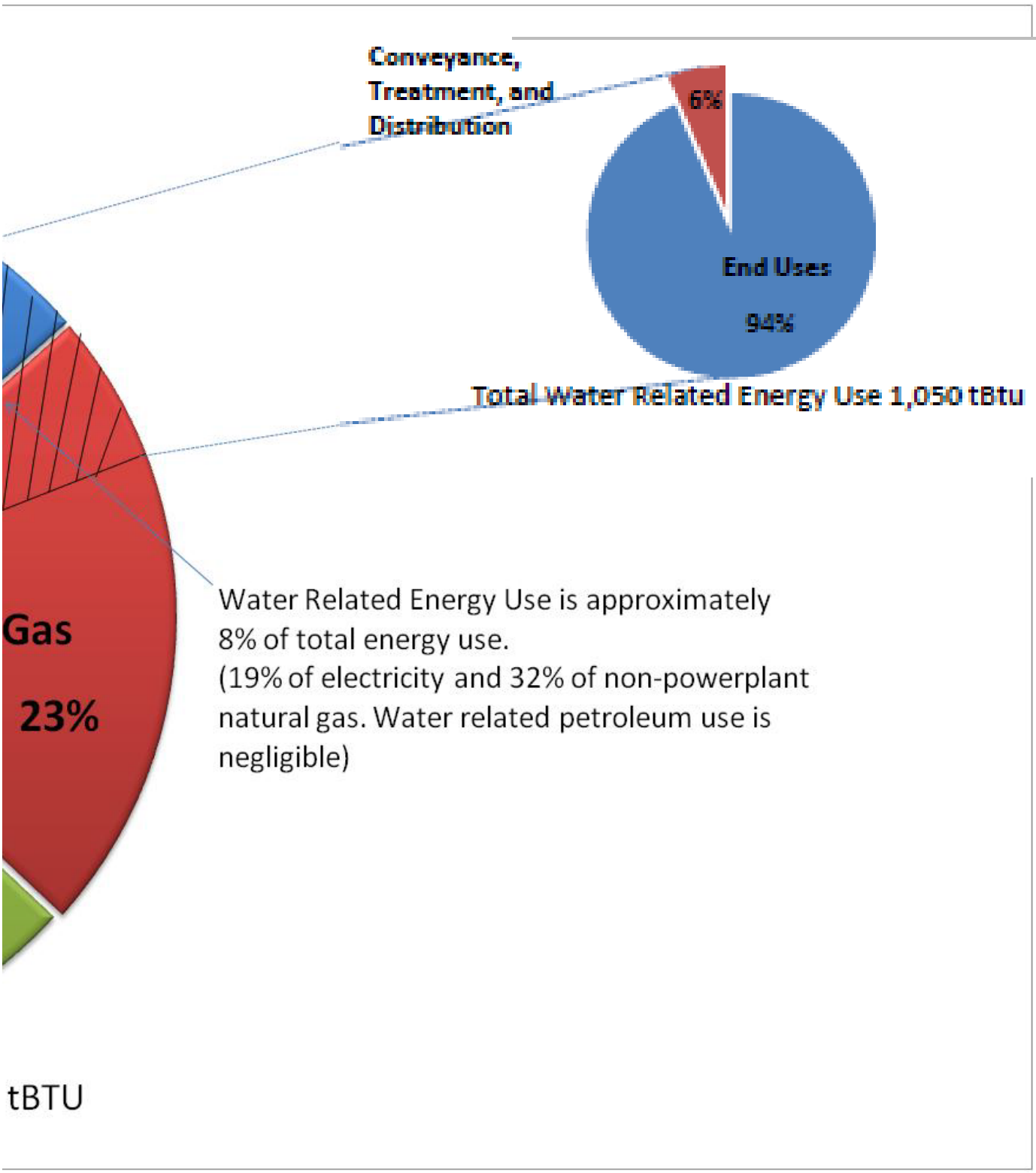


Energy Use Related to Water

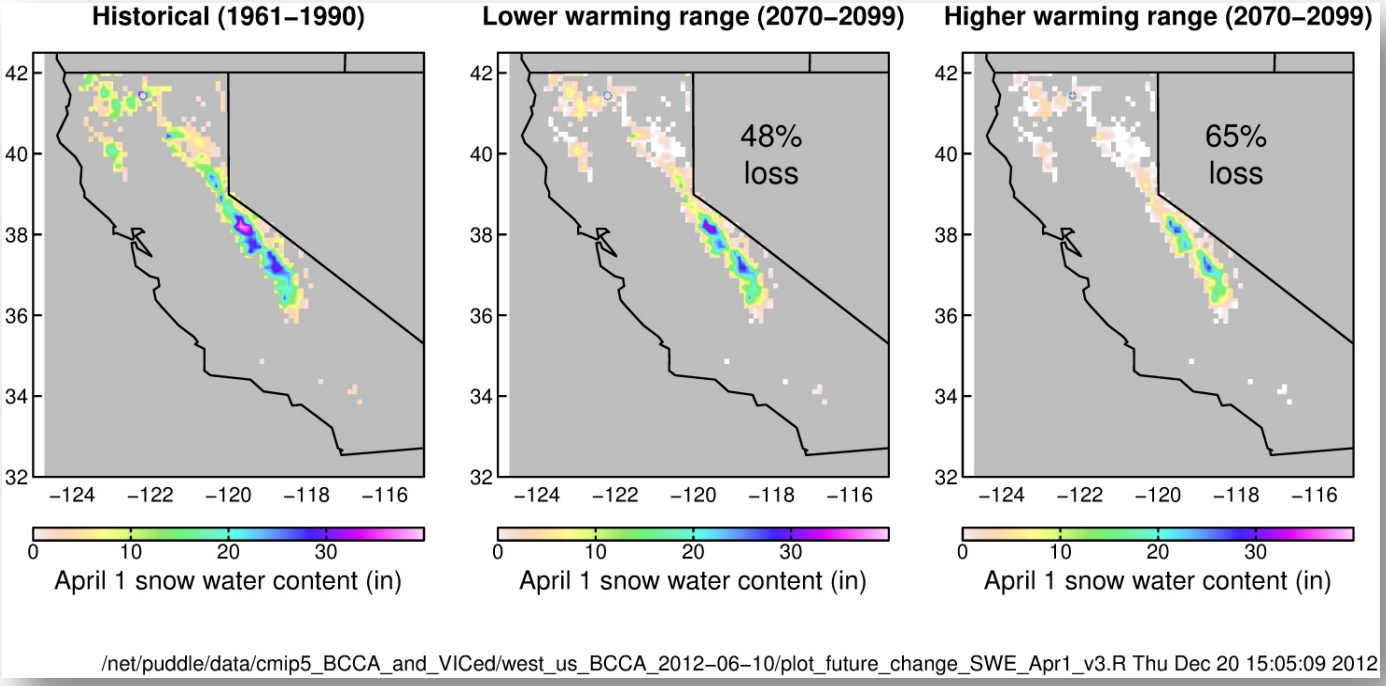


Water Related Energy Use is approximately 8% of total energy use.
(19% of electricity and 32% of non-powerplant natural gas. Water related petroleum use is negligible)

The Future is Uncertain:

California could lose up to 65% of its largest surface reservoir – Sierra Nevada and Cascades Snow pack.

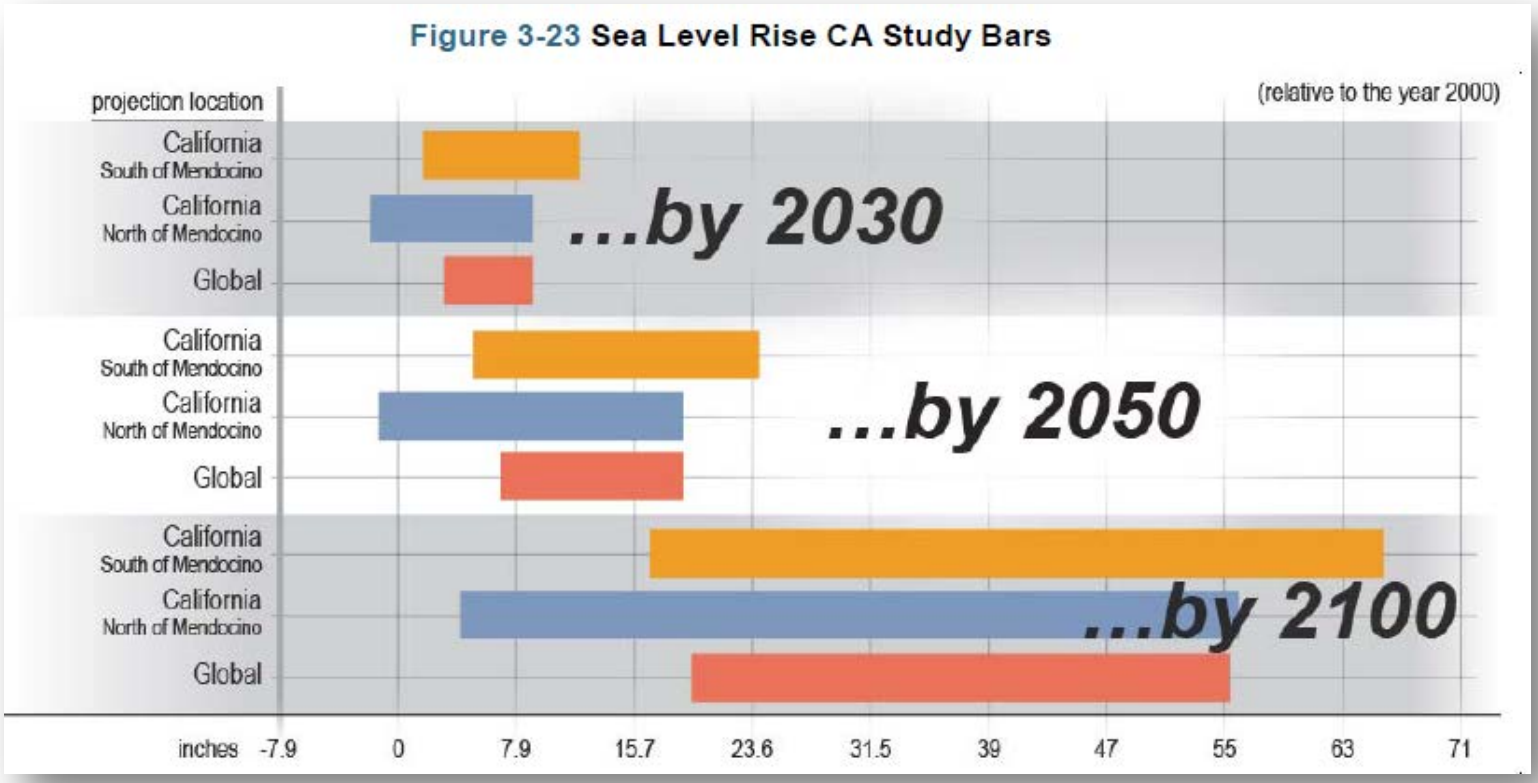
Earlier runoff and increased demand in a warmer climate mean greater water shortages.



Adapting to Change

Sea level could rise more than 5 feet along most of California's coastline, resulting in:

- Land use impacts in inundated areas.
- Increased stress on Delta and coastal levees.
- Additional freshwater required to offset increased salt in water supply.



The Future is Uncertain:

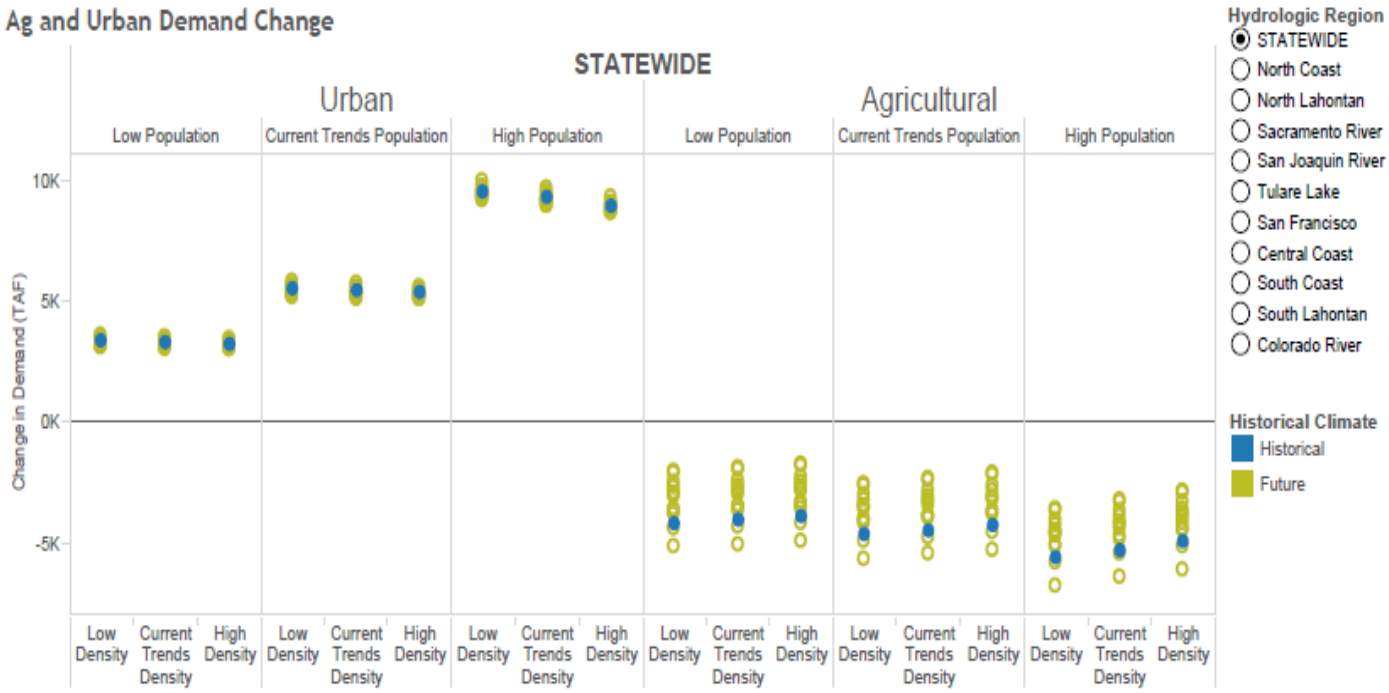
Future Scenarios - Factors of Uncertainty

9 Growth & 13 Climate Scenarios

- **Population Growth.**
- **Land Use Patterns.**
- **Climate Change.**

Placeholder for graphic showing scenario factors and permutations

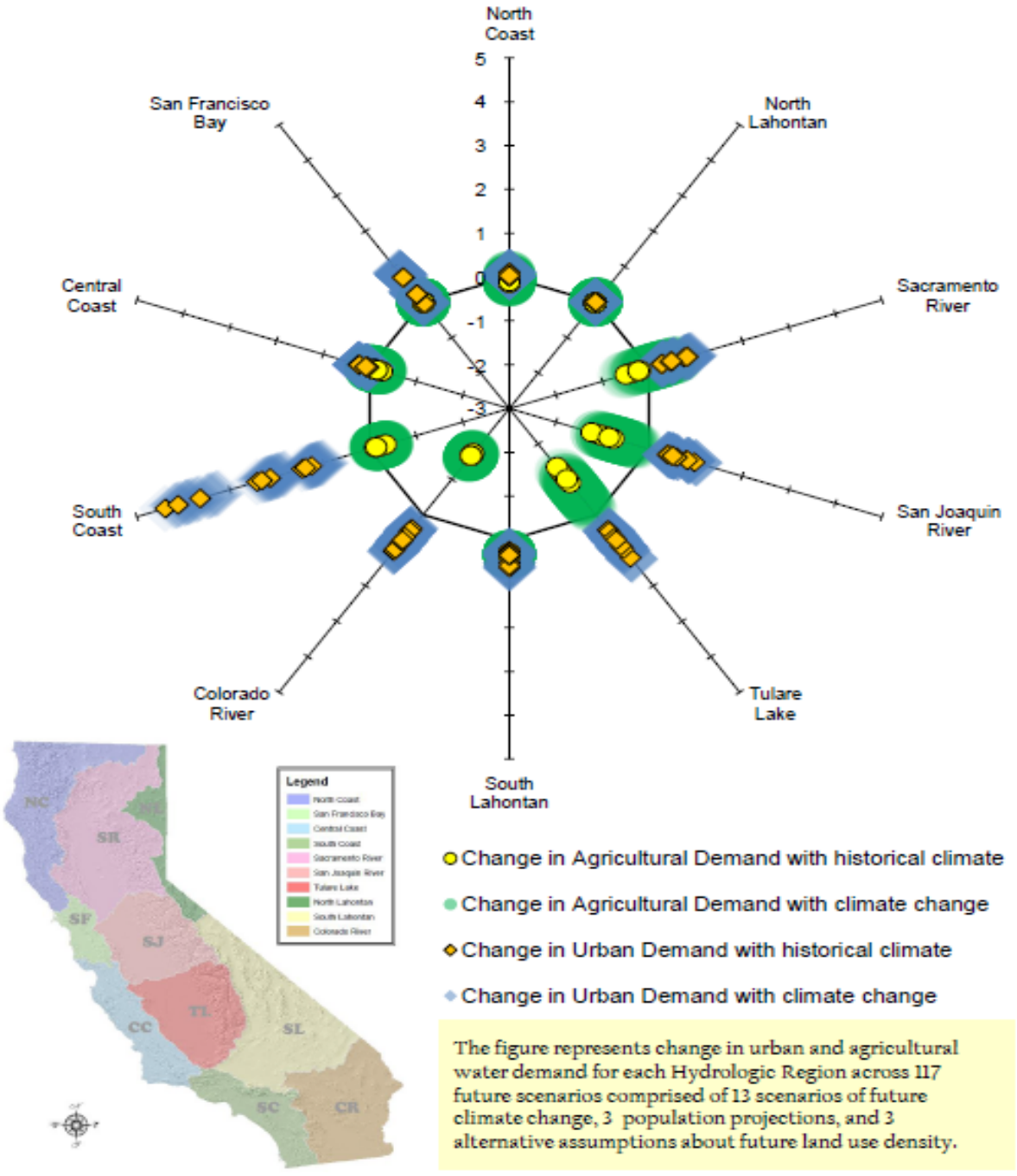
By 2050, statewide urban water demand could increase between 3 million and 10 million acre-feet per year (nearly enough water to fill Lake Shasta three times), and agricultural water demand may decrease between 3 million and 5 million acre-feet per year.



Future Water Demands

Each region of California will change in a unique way

- Most regions will see an increase in urban use, particularly in the South Coast.
- Most regions will see a reduction in agricultural water demand, particularly in the Colorado River, Tulare Lake and San Joaquin River regions



The figure represents change in urban and agricultural water demand for each Hydrologic Region across 117 future scenarios comprised of 13 scenarios of future climate change, 3 population projections, and 3 alternative assumptions about future land use density.

The California Water Plan:

Collaborative Planning Framework

Update 2013 provides a vision for more sustainable and reliable water resources and management systems. Mission statements describe collaborative efforts to prepare for California's most pressing statewide and regional water management issues and challenges.

Seven goals set forth the desired outcomes of the California Water Plan (CWP).

Ten guiding principles express the core values and philosophies for how the vision, mission, and goals will be achieved.

Seventeen objectives and their 350-plus related actions are geared toward fulfilling the vision, mission, goals, and principles.

Over thirty resource management strategies are described as tools for implementing integrated water management *(these are described in Volume 3 of Update 2013).*

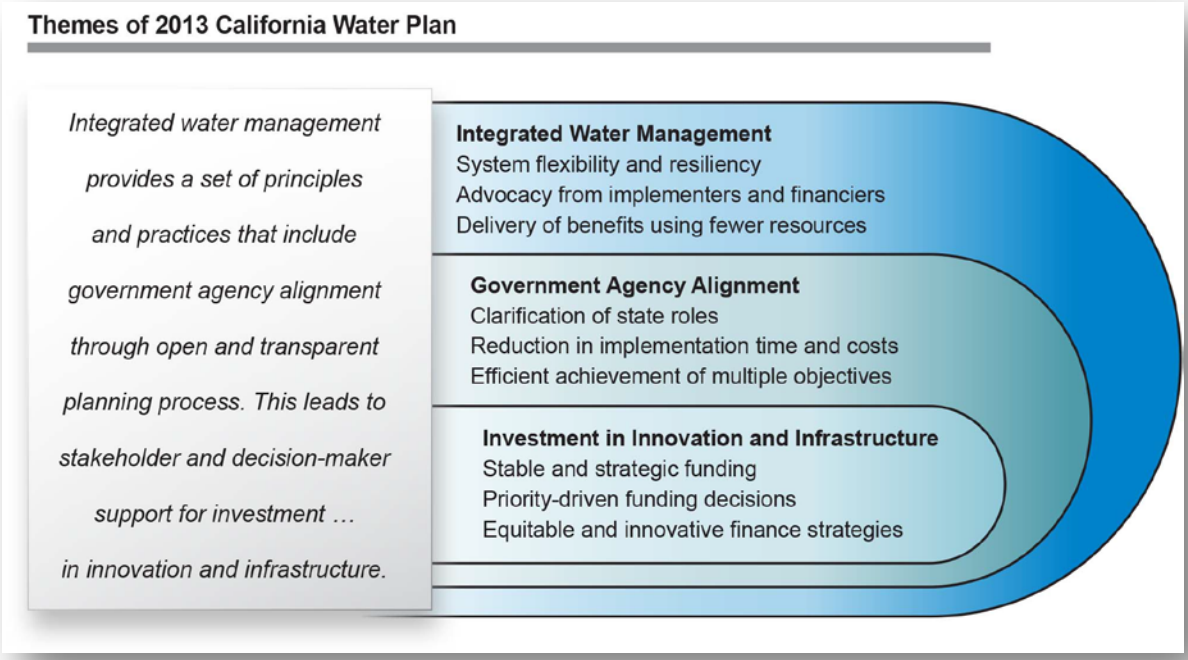
Charting a Future for Resiliency

Themes of Update 2013

Resiliency Requires Integration, Alignment and Investment

Update 2013 has significantly advanced the State's strategic plan by recommending actions in three critical areas:

- Enhancing regional and statewide IWM.
- Strengthen government agency alignment.
- Invest in innovation and infrastructure.



California Vision 2050:

Update 2013 sets us on a strategic path to managing our water resources in a way that provides reliable and clean water supplies for all beneficial uses today and for generations.

Vision

California has healthy, resilient watersheds and reliable and secure water resources and management systems. Public health, safety, and quality of life in rural, suburban, and urban communities are significantly improved as a result of advancements in IWM. The water system provides the certainty needed for quality of life, sustainable economic growth, business vitality, and agricultural productivity. California's unique biological diversity, ecological values, and cultural heritage are protected and have 16 substantially recovered.

Placeholder for Graphic

Mission

Updating the CWP provides federal, State, tribal, regional, and local governments and organizations with a continuous planning forum to collaboratively:

- Recommend strategic goals, objectives, and near-term and long-term actions that would conserve, manage, develop, and sustain California's watersheds, water resources, and management systems.
- Prepare response plans for floods, droughts, and catastrophic events that would threaten water resources and management systems, the environment, and property, as well as the health, welfare, and livelihood of the people of California.
- Evaluate current and future watershed and water conditions, challenges, and opportunities.

Placeholder for Graphic

Goals

Placeholder for Graphic

1. California's water supplies are adequate, reliable, secure, affordable, sustainable, and of suitable quality for beneficial uses to protect, preserve, and enhance watersheds, communities, cultural resources and practices, environmental and agricultural resources, and recreation.
2. State government supports integrated water resources planning and management through leadership, oversight, and public funding.
3. Regional and interregional partnerships play a pivotal role in California water resources planning, water management for sustainable water use and resources, and increasing regional self-reliance.
4. Water resource and land use planners make informed and collaborative decisions and implement integrated actions to increase water supply reliability, use water more efficiently, protect water quality, improve flood protection, promote environmental stewardship, and ensure environmental justice and public access to water bodies, in light of drivers of change and catastrophic events.
5. California is preparing for climate uncertainty by developing adaptation strategies and investing in a diverse set of actions that reduce the risk and consequences posed by climate change, which make the system more resilient to change and increase the sustainability of water and flood management systems and the ecosystems they depend on.
6. Integrated flood management, as a part of IWM, increases flood protection, improves preparedness and emergency response, enhances floodplain ecosystems, and promotes sustainable flood management systems.
7. The benefits and consequences of water decisions and access to State government resources are equitable across all communities.

The Desired Future For Water

Guiding Principles

1. Manage California's water resources and management systems with ecosystem health and water supply and quality reliability as equal goals, with full consideration of public trust uses.

2. Use a broad, stakeholder-based, long-view perspective for water management.

3. Promote sustainable resource management on a watershed basis.

4. Increase system flexibility and resiliency.

5. Increase regional self-reliance. Implement resource management strategies that reduce dependence on long-term imports of water from other hydrologic regions for meeting additional future water demands and during times of limited supply, such as a drought or interrupted supply after a catastrophic event (e.g., an earthquake or fire).

6. Determine values for economic, environmental, and social benefits; costs; and tradeoffs so as to 1 base investment decisions on sustainability indicators.

7. Incorporate future variability, uncertainties, and risk in the decision-making process.

8. Apply California's water rights laws, including the longstanding constitutional principles of 11 reasonable use and public trust, as the foundation for public policy-making, planning, and 12 management decisions on California water resources.

9. Promote environmental justice — the fair treatment of people of all races, cultures, and 20 incomes.

10. Use science, best data, and local and traditional ecological knowledge in a transparent and 25 documented process.

Placeholder for Graphic(s)

California's Water:

Update 2013's 17 objectives will help us achieve the Water Plan goals. Meeting these objectives, and planning and investing in their 350-plus related actions, will help California deal with a changing climate and other uncertainties and risks, and provide more adaptive and resilient ecosystems and more sustainable water and flood systems.

Objective 1 — Strengthen Integrated Regional Water Management Planning

Strengthen integrated regional water management planning to improve regional self-reliance, and maintain and enhance regional water management partnerships.

Objective 2 — Use and Reuse Water More Efficiently

Use water more efficiently with significantly greater water conservation, recycling, and reuse to help meet future water demands and adapt to climate change.

Objective 3 — Expand Conjunctive Management of Multiple Supplies

Advance and expand conjunctive management of multiple water supply sources with existing and new surface and groundwater storage to prepare for future droughts, floods, and climate change.

Objective 4 — Protect and Restore Surface Water and Groundwater Quality

Protect and restore surface water and groundwater quality to safeguard public and environmental health and secure California's water supplies for beneficial uses.

Objective 5 — Practice Environmental Stewardship

Practice, promote, improve, and expand environmental stewardship to protect biological diversity and sustain natural water and flood management systems in watersheds, on floodplains, and in aquatic habitats.

Objective 6 — Improve Flood Management Using an Integrated Water Management Approach

Promote and practice flood management that reduces flood risk to people and property and maintains and enhances natural floodplain functions using an IWM approach. An IWM approach utilizes a systemwide perspective and considers all aspects of water management, including public safety and emergency management, environmental sustainability, and economic stability (which includes water supply reliability, water quality, and system and community resiliency).

Objective 7 — Manage the Delta to Achieve the Coequal Goals for California

Manage the Delta as both a critically important hub of the California water system and as California's most valuable estuary and wetland ecosystem. Achieve the two coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.

Objective 8 — Prepare Prevention, Response, and Recovery Plans

Prepare prevention, response, and recovery plans for floods, droughts, and catastrophic events to help residents and communities, particularly disadvantaged communities, make decisions that reduce the consequences and recovery time of these events when they occur.

Objective 9 — Reduce the Carbon Footprint of Water Systems and Water Uses

Reduce the carbon footprint of water and wastewater management systems by implementing the water-related strategies in the AB 32 Scoping Plan to mitigate greenhouse gas emissions.

An Urgent Roadmap

Objective 10 — Improve Data, Analysis, and Decision-Support Tools

Improve and expand data monitoring, management, analysis, and decision-support tools to advance IWM, in light of demographic, climate, and institutional uncertainties.

Objective 11 — Invest in Water Technology and Science

Identify, develop, and prioritize research needs for new technologies; advance development and implementation of existing and emerging tools, technologies and innovations; and encourage partnerships in water-related technology and science to promote more efficient, effective, and sustainable water resources management and a better scientific understanding of California's water-related systems.

Objective 12 — Improve Tribal/State Relations and Natural Resources Management

Develop relationships with California Native American Tribes that acknowledges and respects their inherent rights to exercise sovereign authority and ensure that they are incorporated into planning and water resources decision-making processes in a manner that is consistent with their sovereign status.

Objective 13 — Ensure Equitable Distribution of Benefits

Increase the voice of small and disadvantaged communities in State processes and programs to achieve fair and equitable distribution of benefits. Provide access to safe drinking water and wastewater treatment for all California communities and ensure programs and policies address the most critical public health threats in disadvantaged communities.

Objective 14 — Protect and Enhance Public Access to the State's Waterways, Lakes, and Beaches

Protect and enhance public access to the state's waterways, lakes, and beaches for cultural, recreational, and economic purposes consistent with maintaining healthy ecosystems.

Objective 15 — Strengthen Alignment of Land Use Planning and Integrated Water Management

Strengthen the alignment of goals, policies, and programs for improving local land-use planning and IWM.

Objective 16 — Strengthen Alignment of Government Processes and Tools

Improve, align, and transform processes and administrative tools (incentives and oversight) — at all levels of government — used for water planning, public engagement, program/project implementation, and policy- and regulation-setting to advance IWM.

Objective 17 — Improve Integrated Water Management Finance Strategy and Investments

State government uses consistent, reliable, and diverse funding mechanisms with an array of revenue sources to support statewide and regional IWM activities. State government also makes future investments in innovation and infrastructure (green and grey) based on an adaptive and regionally appropriate prioritization process.

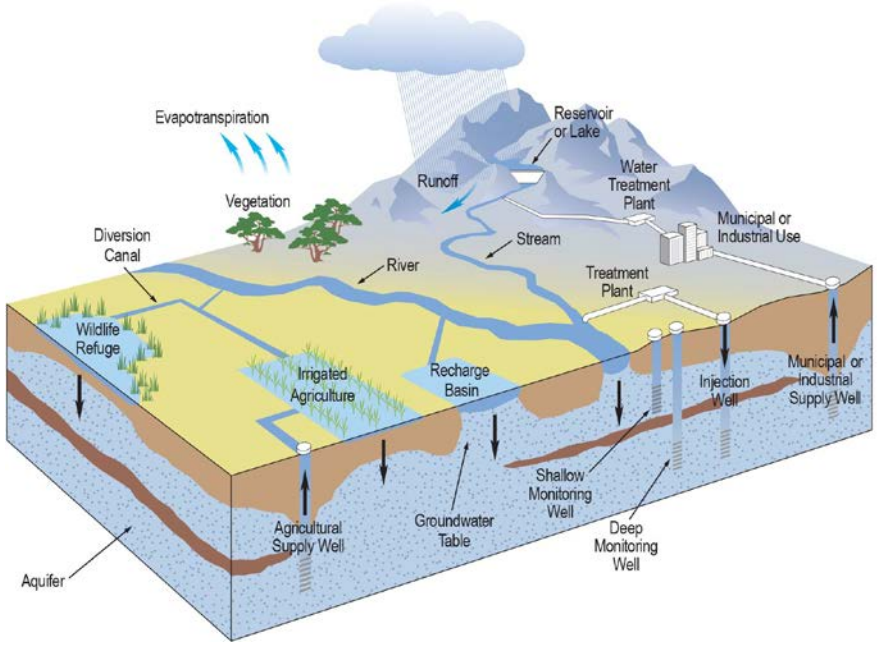
Three Themes of Update 2013:

Integrated Water Management Delivers Sustainable, Balanced Solutions

The integrated water management approach requires collaborative planning to select and progress actions that achieve balance with respect to the three foundational tenets of sustainability: societal, environmental and economic benefits:

Public Safety	Environmental Stewardship	Economic Stability
•Reduce flood risk Statewide •Provide safe drinking water •Improve water quality for fisheries and recreation	•Enhance Bay-Delta ecosystem •Restore terrestrial and aquatic habitats •Improve watershed management •Raise awareness and increase stewardship	•Enhance State economic output •Contribute to job creation and security •Promote food production security •Provide stable funding for infrastructure

The Integrated Water Management Approach Considers the Needs of the Entire Natural Watershed and its Stakeholders



A Call to Integrate

Integrated Water Management Delivers VALUE

With the 2013 update to the California Water Plan, the State is renewing its commitment to integrated water management. After promoting and applying IWM at the regional level over the last decade, stakeholders can now point to results that show value for continued public investment.

Placeholder for graphic showing how relatively small amount of state funding has been matched by local/regional funding due to Props 50 and 84

Proven Results

(example from No Cal, Central and So Cal)

Improved system flexibility and resiliency (the ability of systems to respond to and recover from significant stressors)	**Broader support and increased advocacy** for multi-beneficiary projects from potential implementers and financiers	**Delivery of multiple benefits at a faster pace**, using fewer resources than are typically required to implement single-benefit projects
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Three Themes of Update 2013:

Why Should Government Agencies Align?

To expedite and reduce the cost of the implementation of resource management strategies and help ensure efficient achievement of multiple IWM objectives

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- Many laws, policies and practices do not support IWM
- Many roles and complexities of multiple agencies
- Understanding current complexities is first step in agency alignment
- Establishing principles and goals is second step

Principles for Improving Alignment

1. Increased coordination with all levels of government and agencies (federal, Tribal, State, local), stakeholder groups, private landowners, and others.
2. Increased effectiveness through leveraging of existing networks, relationships, and multi-agency venues.
3. Improved sharing of data, information, tools, and science among governments and agencies.

Better alignment of planning, policies, and regulations across governments and agencies, as well as coordinated and streamlined permitting to increase regulatory certainty.

A Call to Align

How Should Government Agencies Align?

- Federal, Tribal, State, and local government agencies should strengthen alignment among their data, plans, programs, policies, and regulations.

- State government should more effectively coordinate the work of multi-agency collaboratives, and utilize them to align and implement State water policies and promote IWM.

- State government agencies should hire, assign, or train staff with collaboration and conflict resolution knowledge, skills, and abilities (KSA), whose primary job is to work with other federal, State, tribal, regional, and local agencies, organizations, and communities to improve interagency communication, cooperation, collaboration, and alignment.

- Federal and State government agencies should use a more inclusive, collaborative, and outcome-based approach for setting consistent and aligned water policies and regulations that are regionally appropriate.

- The State should convene regulatory working groups, in collaboration with federal, tribal, and local governments, to improve and streamline regulatory review and permitting processes for implementing IWM projects more expeditiously.

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Three Themes of Update 2013:

Future Resiliency Requires Continued and Sustained Investments in Innovation and Infrastructure

Investments have been made, but it takes time and more is needed. Refer to crisis with aging manmade and degrading/impaired natural infrastructure

Innovation

- Governance of State IWM improvements
- Planning and public engagement improvements
- Government agency alignment
- Water technology and science advancements
- Implementation incentives

Infrastructure

- Green (e.g. wetland or riparian habitat restoration)
- Grey (e.g. built water, flood, recreation facilities)

Investments Over Last Decade: A Good Down Payment

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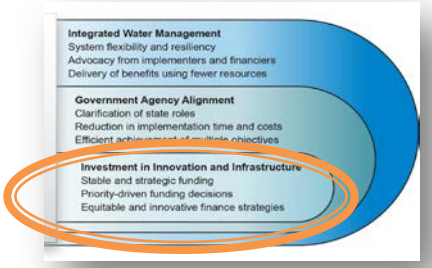
Current Funding Methods are Not Sustainable

Will use graphics with captions to tell this story

Discuss issues and challenges with the current situation, pointing to the need for a new paradigm, for example:

- Annual local expenditures statewide have been about $18 billion (O & M and regulatory compliance costs consume a large portion of local agency budgets).
- Annual State and federal expenditures ~ $2 bil. (very little capital investment).
- Poor alignment among public agencies affects the ability to fund and deliver efficient and economical multiple-benefit projects.
- Talk about diminished public appetite for public GO Bond financing.

A Call to Invest



Investments Needed for the Future

- California needs up to $500 billion of future investment over the next few decades to reduce flood risk, provide reliable and clean water supplies, and enhance ecosystems and their services
- Over the next decade, California needs $200 billion to maintain current levels of service and system conditions

What Should State Government Invest in?

1. Whatever regions cannot accomplish on their own.

2. Whatever involves interregional, interstate, or international issues

3. Whatever the State can do more efficiently. Examples include:
   A. Facilitate process improvement and government agency alignment.
   B. Provide regulatory oversight and alignment.
   C. Provide data, information, decision support, modeling tools, and expertise.
   D. Conduct and coordinate public outreach and policy guidance.
   E. Facilitate systemwide management.
   F. Conduct statewide master planning.
   G. Advancing promising water technologies.

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4. Whatever provides broad public benefits

California Water Plan 2013:

Update 2013 provides a cornerstone for stakeholders to work collaboratively through critical funding needs and issues, develop durable finance mechanisms, and identify reliable revenue sources.

- Framework for considering multiple requirements, perspectives, and previously non-integrated financing information.
- Ability for stakeholders to, collectively and in context, consider the issues to be addressed and the decisions to be made.
- Logical structure and sequence for financial plan development.

Shared Values for Guiding State Government Investment

Prioritization of State Government Investments — Investment decisions will include equal regard for economic, environmental, and social criteria.

Fiduciary Responsibility — State government will be fiscally responsible with State funding
Beneficiary and Stressor Responsibilities — Those receiving benefits or creating impacts pay for them

Attributes of Future Finance Strategies

- Improve cost effectiveness, efficiencies, and accountability.
- Avoid stranded costs and funding discontinuity.
- Leverage funding across State government agencies.
- Increase certainty of desired outcomes

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Finance Planning Framework (8 Components)

Update 2013 provides a structure for sequencing of complicated and contentious finance discussions for developing a comprehensive, well-supported finance plan.

Recommended Financing Strategies for the Future

Menu of Funding and Finance Alternatives

Volume 1, Chapter 7 of Update 2013 includes an assessment of existing and new funding strategies for local, State and federal governments.

Diverse and stable portfolio of revenues

The alternatives assessment includes the following description for each potential revenue source:

- List of potential revenues sources.
- Appropriate uses.
- Implementation feasibility.
- Key trade-offs.
- Current applications in California.

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IWM Revenue Sources

- State general fund.
- General obligation bonds.
- Revenue bonds.
- User fees.
- Assessment districts.
- Utility user tax.
- Impact t fees.
- Statewide water use fee.
- Public goods charge.
- Mello-Roos special taxes.
- Private investors.
- Private-Philanthropic.

Note to reviewer: May talk about next steps: Following on the heels of the Gov Water Action Plan, State will develop an investment strategy for the future.